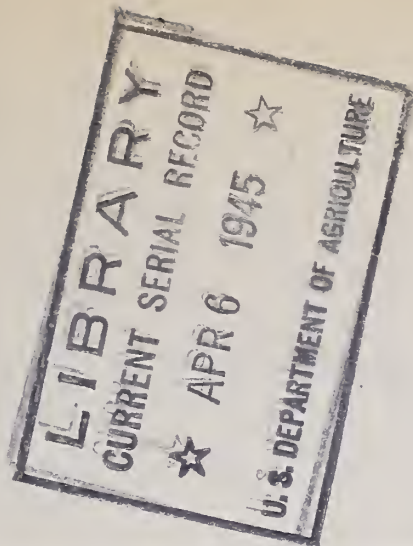


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March 1945

# *Marketing activities*

WAR FOOD ADMINISTRATION  
Office of Marketing Services

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OMS REGULATORY WORK

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Regulation of the marketing of agricultural products under some 25 Federal statutes is a big part of the job of the Office of Marketing Services. Frequently *Marketing Activities* has carried articles about its administration of individual statutes. The present article deals with their development and administration as a whole.

DISTRIBUTING WAR BEANS AND PEAS

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Our production of these two sources of concentrated vegetable proteins had to be stepped up to meet wartime requirements. Here are some of the things that have been done to solve the problems of distributing that production.

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From the 1880's down to World War I the story of grain marketing was one of growing chaos. The United States Grain Standards Act was passed in 1916 with the aim of setting up a system of uniform grading. Among the benefits of this system are: It supplies a common language of trading; grades and inspection are uniform and dependable; it fosters confidence and good will in domestic and foreign markets; it facilitates bidding and clearance in the channels of trade; it minimizes one of the chief causes of disputes; it makes the basis for accurate market reports; it facilitates storage and credit transactions; it is essential to the modern system of buying for future delivery; and it has increased the prices paid to the farmer.

TOO MUCH BECOMES ENOUGH

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Aim of WFA's "Marketing Plentiful Foods" program is to make the fullest and most effective use of plentiful foods by focusing public buying power on them.

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# OMS Regulatory Work

. . . . By C. W. Kitchen

The Office of Marketing Services administers some 25 separate laws related to the marketing of farm commodities. Federal legislation on this subject began about 1914; before that time marketing had been regarded largely as a local problem, with some regulation and assistance by States and municipalities. The rapid development of transportation, refrigeration, and large-scale production, especially of the more perishable commodities, had forced producers to seek markets farther and farther from home.

Widespread confusion had developed in the use of terms for describing the quality and condition of farm commodities. Various State and trade standards had been established for some commodities, but they were not uniform and consequently were not adapted to long-distance transactions and to distribution on a national and international scale. Various forms of abuses and unfair practices had arisen. The farmer badly needed a way of knowing the probable value of the commodities he had produced. Congress considered the marketing of farm commodities in interstate and foreign commerce as a proper subject for Federal legislation.

## Standardization and Inspection Laws

Many of the statutes administered by the OMS are the so-called standardization and inspection laws. They provide for establishing official standards of description, and authorize official inspection and certification under certain conditions. The first to be passed was the Cotton Futures Act. Briefly, this act requires the levy of a tax of 2 cents a pound for the cotton involved in each contract for future delivery made on any exchange, board of trade, or similar institution unless the contract conforms to the act and the rules and regulations of the Secretary of Agriculture<sup>1</sup> for its administration. The tax need not be paid when, among other things, the cotton delivered in settlement of futures contracts conforms to the official standards as promulgated by the Secretary, and when it has been classed and certificated by officers of the Government. The act also limits the qualities of cotton that may be tendered in settlement of futures contracts, specifies certain provisions that shall be included in the contract, and requires settlement in accordance with premiums or discounts established in the manner prescribed, when cotton of other than the contract grade is delivered in settlement of the contract.

The authority to establish standards and require cotton classification under this act applied only to futures contracts, not spot

<sup>1</sup>At present the War Food Administrator performs such functions of the Secretary of Agriculture as are referred to in this article.

transactions. So in 1923 the Cotton Standards Act was passed. It also provides authority to establish official standards, makes unlawful the describing of cotton by grade in any transaction in interstate or foreign commerce unless the description conforms to the official standards, and authorizes the Secretary to classify cotton upon request of any person who has a financial interest in the cotton and who may submit a sample for classification. The act does not prohibit sales on the basis of individual samples, nor does it require the official classification of all cotton sold in interstate or foreign commerce.

### Grain Standards

The United States Grain Standards Act was passed in 1916. It authorizes the Secretary of Agriculture to establish official standards for grain and requires the use of official standards whenever grain is sold by grade. It does not prohibit the sale of grain by sample or by type, or under any name, description, or designation provided the designation is not false or misleading and does not include the terms of the official standards. Going further than the Cotton Standards Act, the Grain Standards Act requires the inspection of grain shipped, delivered, offered, or consigned for sale by grade by an inspector whom the Secretary has authorized to inspect grain, provided the grain moves from or to a place where an official inspector is located. Thus provision has been made for both permissive and mandatory official inspection. Grain inspection is mandatory under certain conditions, as is the inspection of cotton when it is delivered in settlement of futures contracts. Cotton not delivered on futures contracts may be officially classed or not, depending on the wishes of the buyer or seller. Official inspection of fruits and vegetables, dairy and poultry products, meats, and several other commodity groups is mostly on a permissive basis.

In the Tobacco Inspection Act of 1935, Congress dealt somewhat differently with official inspection. About 90 percent of the tobacco marketed by producers is sold at public auctions. Tobacco-grading requires a degree of skill most tobacco farmers do not possess. Consequently, tobacco growers were largely without information about the quality of the tobacco they offered for sale.

In the Tobacco Inspection Act, Congress did not require that all tobacco should be inspected before sale at auction but it left the decision to the growers. The act requires that before inspection becomes mandatory on a particular market or group of markets, the Secretary of Agriculture shall hold a referendum to determine what the growers want in that regard. When two-thirds of the growers voting in a referendum favor inspection, the Secretary may issue an order designating that market (or those markets), and afterward no tobacco may be offered for sale thereon until the tobacco has been inspected and certified by authorized inspectors of the Secretary according to standards established by him under the act.





There is another group of laws whose purpose primarily is to prevent unfair practices. Notable in this group are the Packers and Stockyards Act, the Perishable Agricultural Commodities Act, the Insecticide Act, the Warehouse Act, the Federal Seed Act, the Naval Stores Act, the Produce Agency Act, and some others.

The Packers and Stockyards Act, so far as packers are concerned, is a trade-practice law that makes it unlawful for any meat packer to engage in or use any unfair, unjustly discriminatory, or deceptive practice in interstate commerce. The stockyards part of the act provides that each stockyard of more than 20,000 square feet in size shall be posted by the Secretary of Agriculture. After the posting, commission men and dealers operating at the stockyard must register with the Secretary, setting forth the character of the business in which they are engaged and the kind of services they are in position to furnish. All rates or charges for stockyard services by such persons must be just, reasonable, and nondiscriminatory. If the Secretary considers any tariff filed by a stockyard company or a livestock commission man to be unreasonable, he may issue an order of suspension and investigate the reasonableness of the rate. Following investigation and a hearing, the Secretary may establish reasonable rates. Another feature of this act is the investigation of producers' complaints involving such matters as false weighing and incorrect application of tariffs.

#### P.A.C.A.

The Perishable Agricultural Commodities Act makes it unlawful for any commission merchant, dealer, or broker to handle fresh fruit or fresh vegetables, whether or not frozen or packed in ice and including cherries in brine, in interstate or foreign commerce without a license from the Secretary, and provides for proceedings to determine the fitness of an applicant to engage in business and for denial of license if he is found unfit. It also provides for injunction proceedings to stop the operations of a person engaged in business without a valid license.



The United States Warehouse Act, which provides for the licensing and bonding of public warehouses engaged in storing certain agricultural commodities, was created for the primary purpose of providing a system of safe storage of farm products, with a warehouse receipt which would be widely accepted as collateral for loans to be used in marketing. Licensing under the act is optional with a warehouseman, but after he has elected to become licensed he is subject to severe penalties for violation of the act and regulations. Before a license is granted, the warehouseman must have sufficient financial assets, obtain a sufficient bond, and his warehouse must be suitable for storing the commodities to be handled.

The Federal Seed Act requires the labeling of agricultural and vegetable seeds when shipped in interstate commerce. Agricultural seed is required to comply with the law with respect to noxious weed seeds of the State into which the seed is shipped and must also be labeled to show the kind of seed, percentage of weed seed, and the germination. Vegetable seeds are required to be labeled as to variety and must comply with the standard of germination established in the regulations or be labeled with the words "below standard." The act also prohibits false advertising. Importations of seed are required to meet a standard of quality determined by the percentage of pure seed, germination, and the freedom from weed seed. Imported alfalfa and red clover seed are required to be stained to show whether they are generally adapted in the United States.

### Marketing Agreements

The foregoing statutes for the most part concern marketing services that can be more uniformly and authoritatively conducted by an official agency than in any other way and that provide protection against unfair practices. The Agricultural Marketing Agreements Act of 1937, which represents a third type of marketing legislation, deals somewhat more specifically with marketing problems from the standpoint of income to producers. The declaration of policy in that act states: " . . . the disruption of the orderly exchange of commodities in interstate commerce impairs the purchasing power of farmers and destroys the value of agricultural assets which support the national credit structure and that these conditions affect transactions in agricultural commodities with a national public interest, and burden and obstruct the normal channels of interstate commerce."

The declaration of policy goes on to state that it is the purpose of Congress "to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period." While the word "parity" is not in the act, the reference to the equivalence of purchasing power in a base period refers to the parity concept, although the act is not limited to parity in the case of milk.

The act permits marketing agreements with processors, producers, associations of producers, and others who handle any agricultural commodity or its products. The making of such agreements is declared to be no violation of the United States anti-trust laws, and contracting parties are eligible for Reconstruction Finance Corporation loans.

A marketing agreement may result from the voluntary action of producers and handlers, in which case all who sign are bound by its terms, but instruments such as this are rarely concluded. To effectuate the purposes of the statute, therefore, provision is made for making agreements mandatory under certain conditions. For example, when two-thirds



of the producers handling two-thirds of the volume and handlers of not less than 50 percent of the volume by referendum favor an agreement, the Secretary issues an order setting it up. However, if handlers of more than 50 percent refuse to concur, the Secretary of Agriculture, with the approval of the President, may issue an order making the agreement mandatory upon all. An exception is citrus fruit in California, in which case approval for 80 percent of the volume and 75 percent of the producers is required.

Thus far, the act has been used chiefly by producers of fresh fruits and vegetables, and milk. Most of the fresh fruit and vegetable agreements and orders have been based upon the limitation of shipments to specified grades or sizes. A few have been set up on a volume control basis, but the mechanics of straight volume control have been found very difficult for perishable commodities. The primary objective of agreements on fluid milk is to establish a minimum price to producers.

### Control Committees

Persons subject to a marketing agreement participate in its administration through the establishment of so-called control committees. This procedure is followed for fruits and vegetables. The law limits their powers to (1) administering the order in accordance with its terms and provisions, (2) making rules and regulations to effectuate the terms and provisions of the order, (3) receiving, investigating, and reporting to the Secretary of Agriculture complaints of order violations, and (4) recommending order amendments to the Secretary.

All these marketing statutes mentioned arose from the desire of certain groups for Government assistance. The objective was to provide services and "rules of the game," things which experience had demonstrated could be provided most effectively by Government. The policy underlying the administration of these laws has been developed on the premise of service, to prevent violations by explanation, information, and warning, and to invoke penalties only upon the recalcitrant few. A law can be of greatest service when those who must live with it and abide by it have had an opportunity to assist in its development in the legislative stages; an even larger opportunity and voice in the formulation of the regulations to be used by the administrative agency; and a full and fair opportunity to present their side of a dispute in any administrative proceeding and when administrative decisions are reviewable by the courts.

The principles and general outlines of many of these statutes were discussed by different elements of the industries affected and by administrative officials before hearings were held by committees in Congress. In the formulation of regulations it has been the policy to provide an opportunity for interested persons to offer suggestions and comments before the regulations or important amendments to them are promulgated. Of the laws mentioned, only the Federal Seed Act requires a public hearing before regulations and amendments are issued. The general

practice is to draft proposed regulations and send copies to farm groups, trade associations, trade newspapers and journals, and persons and firms on departmental mailing lists, at which time comments, criticisms, and suggestions for changes are invited.

In most instances, if the proposed regulations are new or are important amendments to existing regulations, arrangements are also made for hearings to be held at from two to six or eight places reasonably convenient to most of the people interested. These meetings are really public conferences with no restriction on attendance or any particular formality of procedure. They are usually conducted by a representative of the administrative agency of sufficient rank to answer questions with considerable authority on administrative policy, procedure, and interpretation.

### Conference Procedure

The usual procedure in such conferences is for the presiding officer to go through the proposed regulations paragraph by paragraph, explain the purpose of each, and then permit questions and comments. Usually technical experts of the administrative agency are also present to take part in such discussions. Sometimes a verbatim transcript is made, and sometimes notes are taken only of important comments and suggestions. Usually a reasonable time is allowed after a conference for those who wish to submit more detailed comments and suggestions in writing.

In connection with administrative action on violations, most of the laws mentioned provide for a hearing or for opportunity for a hearing. For example, licenses issued under the Cotton Standards Act, the Grain Standards Act, and some others may be suspended or revoked after opportunity for a hearing; and provision is made for temporary suspension without a hearing.

The Federal Seed Act provides for three methods of enforcement: (1) Prosecution through the courts; (2) orders to cease and desist; and (3) seizure. Except for the Federal Seed Act and the Insecticide Act, when prosecution is used no administrative proceedings are necessary other than the investigation and preparation of evidence for submission to the Department of Justice. The Federal Seed Act goes somewhat further, however, and provides that before a violation is reported for prosecution the respondent shall be given appropriate notice and opportunity to present his views. This is an informal proceeding conducted by an administrative officer. Hearings are required in cease and desist order proceedings, which are more formal and are conducted by an examiner assigned by the Solicitor of the Department. Prosecution is the only method of enforcement under the Insecticide Act, and notices in writing give the violator opportunity to be heard.

A number of unfair practices are specified as violations of the Perishable Agricultural Commodities Act, which provides for the filing



of reparation and disciplinary complaints alleging violations by licensees, or those whose operations make them subject to the license provision, on which the Secretary is authorized to issue decisions, either with or without hearings. Hearings are required in all cases involving more than \$500, unless waived by the parties to the complaint. Reparation complaints are filed by injured parties for damages occasioned by violations of the act and, unless awards of damages made by the Secretary are paid within the time specified in the order, or appeal is taken to the United States District Court, the license of the offender is automatically suspended by operation of law until payment is made. The Secretary is authorized to punish the offender by publishing the facts and/or suspending or revoking his license.

#### Packers and Stockyards Act

Under the Packers and Stockyards Act, cease and desist orders may be issued against packers after a hearing, and packers may be required to attend and testify. Reparation orders also may be issued after a hearing unless hearing is waived. Licenses of live poultry dealers may be suspended or revoked after a hearing, and applications for such licenses may be denied after any opportunity for a hearing. Registrations of market agencies and dealers may also be suspended after a hearing. Formal proceedings are conducted by an examiner assigned by the Solicitor, with an attorney also assigned by the Solicitor as counsel for the administrative agency.

In these proceedings, as in most proceedings under other acts, specific rules of practice developed by the Solicitor have been published for the guidance of all concerned. Briefly, these rules provide that the examiner shall prepare a report at the conclusion of the hearing and after the filing of briefs. Copies of the report are served upon the administrative agency and the respondent, opportunity being given for filing exceptions. After the exceptions have been considered, a draft of the proposed order is prepared and made available to both parties, who may present oral argument to the Secretary, or someone designated by him, and before the final order is issued. The rights of the respondents are further protected in that there is opportunity to appeal to the courts.

Under the Agricultural Marketing Agreements Acts a detailed procedure has been devised to protect the rights of the parties affected by marketing agreements and orders. All marketing agreements and orders are preceded by a hearing. The following steps, for example, are taken in the formulation of milk-marketing agreements and orders, or of amendments to milk orders:

1. Application from the industry requesting the War Food Administrator to hold a hearing.
2. Investigation of the merits of the application, instituted by the Director of the Office of Marketing Services.

3. Recommendation by the Director of the Office of Marketing Services to the War Food Administrator that a hearing be held.

4. Approval of a hearing, and the serving of notice by the War Food Administrator.

5. Holding of the public hearing.

6. Preparation and filing with the hearing clerk of a report by the Director of the Office of Marketing Services on the hearing, and of a proposed order or amendment.

7. Filing of exceptions to the Director's report.

8. Recommendation by the Director of a marketing agreement for tentative approval by the War Food Administrator.

9. Approval by the War Food Administrator of the agreement.

10. Holding of referendum among producers and submission of marketing agreement to handlers.

11. Approval by the President (Director of Economic Stabilization) if handlers of more than 50 percent of the volume of milk in the market refuse to sign the marketing agreement.

12. Issuance of final order or amendment by the War Food Administrator.

It is apparent from this brief description of a few of the laws administered by the Office of Marketing Services that their objective is to facilitate the marketing of farm commodities and to prevent abuses in the marketing process. Perhaps the main purpose of administrative agencies is to provide a means of preventing evils from developing, rather than of merely trying to correct them after they arise. Congress may declare a certain action to be a crime, and the declaration alone may be a sufficient deterrent--but often it is not. Or people may and do go into court and sue each other. That procedure is usually expensive and time-consuming, especially when long distances separate the parties; and results are uncertain. A more flexible method than either of these is required.

More than 2,000 complaints are received each year under the Perishable Agricultural Commodities Act. Less than 10 percent of these complaints get as far as a formal hearing. The advice of the administrative agency, based on decisions made in similar circumstances, disposes of the others and provides the protection sought in the act. The administrators of such laws have an important responsibility. A policy of arbitrary and unreasonable administration can ruin a good law and cause it to fail in its purpose. On the other hand, a realistic



policy based upon an understanding of the conditions under which business must be carried on can do wonders even with a weak law.

The marketing of farm commodities, in their natural and their processed forms, is a vast and complicated process in this country. Generally speaking, an efficient system of marketing has been developed, but there is and always will be room for improvement. Higher efficiency is as worth striving for in distribution as in production; and we may reasonably expect producers, distributors, and consumers all to insist on such additional help in marketing as the Federal Government can give them through the administration of regulatory and service laws.

#### COTTON CLASSIFICATION, MARKET NEWS SERVICE

Free cotton classification and market news service during the 1945 crop year is again available to organized cotton improvement groups that apply for it under the Smith-Doxey Act. Applications may be filed as soon as members have planted their cotton and must be filed not later than August 1 or August 15, depending on locality. Groups that file promptly can obtain maximum service for their members.

Applications should be filed with the Office of Marketing Services, WFA, not later than August 1 for groups in South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, and all Texas counties lying entirely or mostly east of the 100th meridian. Groups in later-planting areas must file on or before August 15; these areas include Virginia, North Carolina, Tennessee, Kentucky, Missouri, Oklahoma, New Mexico, Arizona, California, and all Texas counties lying entirely or mostly west of the 100th meridian.

Cotton samples classed for improvement groups under the act in the 1944-45 season are expected to represent about 3,850,000 bales--about a third of total U. S. ginnings. This compares with samples classed covering 3,350,000 bales from cotton produced in the 1943-44 season--29 percent of ginnings for that season.

Membership of improvement groups and the reported acreage planted by members have increased steadily since the Smith-Doxey classing service became available to farmers in the 1938 season. The average number of members per group has increased from 60 in 1938 to 133 in 1944.

Instructions and application blanks may be obtained from county agricultural agents or from the Office of Marketing Services offices at the following addresses: 441 West Peachtree Street, N. E., Atlanta 3, Ga.; 1117 Falls Building, Memphis 1, Tenn.; 1104 South Ervay Street, Dallas 1, Tex.; Room 517 U. S. Court House, El Paso, Tex.; and 100 Progressive Building, Bakersfield, Calif. Instructions and application blanks may be obtained also from the cotton-classing offices which OMS has in nearly all cotton-producing States.



# Distributing War Beans and Peas

. . . . By Stephen O'Dea

Three years or so ago someone included beans as one of the four B's needed to win a war--the other three being bombers, battleships, and bullets. Since then the U. S. production of beans and peas, two of the best sources of concentrated vegetable proteins, has had to be stepped up in order to meet domestic, lend-lease, relief, and military requirements. After beans and peas are grown and harvested they have to be packaged, inspected, stored, hauled, and nowadays "set aside." It's with these distribution features of the wartime beans and peas program that this story deals.

## WFO 45

On April 1, 1943, requirements for beans and peas had grown until it became necessary for the War Food Administration to issue a set-aside order to obtain enough of them. The order (War Food Order 45) required a setting aside of 55 percent of the dry beans and 60 percent of the dry peas of specified classes owned by processors and first owners.

This order, revised on July 1, 1943, required that  $1\frac{1}{2}$  bags of the designated classes of dry beans and peas be set aside for WFA for every bag delivered into civilian channels. On November 1 another revision removed dry beans from the order and reduced the set-aside on beans to 100 percent of deliveries into civilian channels; that is, 1 bag went to WFA for each bag shipped for civilians.

On April 1, 1944, WFA reduced the set-aside on six classes of dry beans from 100 percent to 25 percent of deliveries into civilian channels. This applied to Pea, Great Northern, Flat Small White, Small Red, Pinto, and Cranberry beans. The order was amended again on September 5, 1944, changing the set-aside of Pea, Great Northern, Flat Small White, Small White, Small Red, and Pinto beans to 40 percent of civilian deliveries, the other classes remaining at 100 percent.

The latest amendment, on December 1, 1944, readjusted the set-aside requirements for edible dry beans by dividing 10 classes of beans into 4 separate set-aside groups and fixed the set-aside percentages based on deliveries into civilian channels at from 35 to 300 percent instead of the former 40 and 100 percent.



Pea, Great Northern, Small White, and Flat Small White were put into group 1, with a new set-aside of 35 instead of 40 percent. The three classes of Red Kidney beans were put into group 2, with 300 percent set aside instead of 100 percent. The Baby Lima class comprised group 3, with a set-aside reduced from 100 to 60 percent. Pink and Small Red beans went into group 4, with the set-aside for Small Red changed from 100 to 40 percent and for Pink remaining at 100 percent. Pinto beans were not to be set aside, and the decrease in percentage requirements for the white beans in group 1 offset in volume the increase in Red Kidneys and Small Reds.

### Marketing Problems

A number of marketing problems arose in 1944. County shippers often had to ask amendment to their WFA contracts in order to allow more time for loading out--usually because labor was short or the railroads did not furnish freight cars at the right time.

Because beans and peas are harvested over a relatively short period, attempts to clean, dry, and store the crops in time to prevent undue spoilage and loss taxed all processing facilities heavily during the season's first 3 or 4 months. Since 12-ounce burlap was lacking, shippers were permitted to use 100-pound bags made of 7-ounce Osnaburg or 10-ounce burlap in sales of the 1943 crop to WFA. Unfortunately, these materials often proved too light for the rough treatment, wear, and strain of wartime handling, especially in export shipping. Consequently, 12-ounce burlap was specified for the 1944 crop.

Most storage space in producing areas was soon full, and additional space had to be obtained in some cases where out-of-line naul was necessary or the climate was not favorable for long storage. Some loss resulted from storing beans at low altitudes and under hot, humid conditions; insects and rodents caused other damage; but a very large percentage of the damaged stocks was reconditioned and made fit for food. The net loss of dry beans and peas for food, of the 28-million-bag total handled by WFA since March 1941, has amounted to only a small fraction of 1 percent.

To move into storage the 1943-crop beans and peas that WFA bought required some 6,725 and 5,575 freight cars respectively. The heaviest movement of dry beans from producing areas is usually in November; peas in October. Of the 5,381,992 bags of beans purchased from the 1943 crop, 2,075,181 or 38.5 percent of the total were purchased in October. This required about 2,600 cars, made up of 1,025 cars of Great Northerns and 785 cars of Pintos from the southern Idaho, Wyoming, Colorado, and New Mexico area; 660 cars from the Michigan Pea bean area; and about 130 cars of various classes from other States. Movement usually follows sales by from 2 to 6 weeks.

Owing to variations in harvesting time from area to area and year to year, peak movements are difficult to judge and often it is impossible to have the desired number of empty cars on hand in each producing area at the right time. For example, in some areas harvesting of the 1944 crop was 3 to 6 weeks later than in 1943. WFA bought 4,989,045 bags of beans, or 93 percent of its purchases from the 1943 crop, during the first 5 months (September-January) of the crop year, and 2,075,181 bags in October alone.

The movement of 1943-crop dry peas resembled that of dry beans, the major part moving before February, but production is largely limited to the Palouse area of northern Idaho and eastern Washington, and to northeastern Oregon. From August 1, 1943, through the following January, WFA bought more than 3.1 million bags of peas, or nearly 70 percent of the 4,461,855 bags it bought during the 1943 season. To move these peas to storage during the shipping peak required roughly 4,000 box cars.

Although the truck and boat movement of beans and peas to Government storage is very light, almost all thrasher-run beans and peas move by truck from farm to processor, and in some areas a part of the cleaned beans moves by truck out of the State. Trucks haul a substantial quantity of beans from Michigan to Ohio, Indiana, and other adjacent States, and from Colorado, New Mexico, and Nebraska. The 1945 crop of beans and peas should raise fewer transportation problems than the 1943.



Backhauls were sometimes unavoidable in handling the 1943 crop. With producing-area storage facilities overtaxed, certain classes of beans and peas had to be moved to Midwest storage. Later, some of these stocks had to be backhauled when they were needed for use. At present, WFA tries to store in and near producing areas and so keep backhaul down.

### Storage

Storage space in cleaning plants is large enough to handle only normal crops, moving normally, and even under average crop conditions plants lose their maximum efficiency during the peak movement because they must take more beans and peas than they can clean in a short period. Excessive peak movement to processors' plants requires (1) storing in out-of-the-way places and (2) high stacking, which costs more in labor and loss of work.

Where possible, beans and peas should be stored in the Northern and Mountain States rather than in the warmer, damper Southern States. Heat and moisture tend to develop mold, mustiness, and insect infestation. It is also desirable to store beans and peas in a sufficient number of warehouses to allow loading of cars rapidly enough to move large quantities to port.



A number of country shippers now have packaging machinery. More and different types of cartons and kraft packages are being used for retail trade. Beans are packed mainly in 1-, 2-, and 5-pound packages, and peas and split peas in 1- and 2-pound packages. So far, there has been no great difficulty in obtaining enough of these containers.

Shipping-point inspection is now available in all areas producing dry edible beans and peas. In some States, federally licensed samplers aid in obtaining samples from lots located at outlying points and in forwarding them to licensed inspectors for grading and certificating. Dockage certificates are issued on thresher-run peas as a basis of settlement between grower and dealer. This type of inspection has proved satisfactory because it not only suits the grower but also helps the dealer to know what each lot of peas will grade when recleaned.

Inspectors are located also in many important terminal markets such as Buffalo, Baltimore, Chicago, New York, Philadelphia, Kansas City, and Minneapolis. Also available is an appeal service whereby the original country shipper or the purchaser can call for an appeal inspection if he is not satisfied with the grade assigned to a carload.

Periodically, WFA inspects the condition of its stocks of these commodities in order to prevent unnecessary damage by insects and rodents.

#### Outlook

The Dry Bean Goal Committee (with members from various divisions of the Department of Agriculture and WFA and State committees) has recommended the planting of a U. S. total of 2,277,000 acres of beans in 1945, with a substantial acreage decrease in the Pinto producing area and a reduction in the support price for Pinto, California Blackeye, and Cranberry beans. Support prices for the other classes supported in 1944 are to remain at the same levels in 1945.

Pinto production was nearly 50 percent larger than average in both 1943 and 1944, and the supplies accumulated by WFA, plus those that could be obtained from the 1945 crop at the recommended support level, should be adequate to meet probable requirements. There are only minor military requirements for Blackeyes and no stated Government requirements for Cranberrys. The 1945 goal for dry smooth peas has been reduced to 374,000 acres, and the 1945 support price has been adjusted downward from \$5.65 per 100 pounds (f. o. b. car at country shipping point) for U. S. No. 1 grade to \$4.50 on all supported classes except Colorado Whites, for which the 1945 price will be \$4.25. There will be no support price on dry wrinkled peas.

As for transportation, production by States and classes in 1945 is expected to be similar to that of the 1943 crop, possibly excepting Pinto beans. Transportation requirements can be computed on this base, with adjustments for seasonal variation and unusual crop conditions.

The 1945 crop of beans and peas should raise fewer transportation problems than the 1943. The substantial reduction in the 1945 acreage goal for smooth peas will make it possible for fewer cars to move the 1945 dry pea crop, and many cars that moved peas this season should be available for moving beans and other crops from the Western States in 1945-46. WFA officials believe that if the peak movement up to January 1, 1946, is considered carefully, and extra cars are made available in the States having the heavy movement, transportation can be handled with relatively few complaints. Further, if the movement of rail freight toward the Pacific war area increases in 1945-46, backhaul should be reduced.

Storage space for beans and peas should be more plentiful in 1945 owing to expected depletion of 1944 heavy stocks before the 1945 crop is harvested. Even so, the space now used for beans and peas may be needed for other commodities, and some farm storage may have to be encouraged. WFA officials expect no serious storage problems with these commodities provided measures are taken to prevent too great a concentration of any particular class in any area.

The export container problem continues to be serious. Specifications for 1944-crop beans and peas require new 12-ounce burlap bags for all deliveries to the Government because practically all of these stocks are expected to be exported, but 12-ounce burlap is now short. Fortunately, additional shipments of the material are expected from India before the 1945 harvest. The trade has been encouraged to use Osnaburg and 10-ounce burlap bags for domestic commercial shipments so that more heavier-weight burlap will be available for Government export.

Labor difficulties should tend to ease somewhat as a result of the many improved devices, such as new farm machinery, more and better cleaning and processing equipment, automatic scales, conveyor belts, and bag pilers, that have been added in the bean and pea industries in the last year or two.

The complex bean and pea situation is loaded with problems that are sometimes very difficult to cope with under wartime conditions. Yet last year the United States had a record-breaking supply of beans. Continued good planning by growers, distributors, processors, agricultural leaders, the State and Federal Governments, and others is expected to keep production high and to distribute the production in a way that will do the most good.

Effective February 21, WFO 121 has been amended to remove from its operation apples of the Delicious variety. The Winesap and Newton varieties are retained in this order that was issued last January 16 to make available for the armed forces and other governmental agencies certain varieties of apples grown and located in Oregon and Washington.



## WFA CHANGES PORK SET-ASIDE SPECIFICATIONS

To meet specific requirements in supplying the U. S. armed forces and war services with necessary quantities of pork, WFA has made three changes in the pork set-aside order.

Heretofore, packers have been required to set aside as loins 4½ percent of the live weight of each week's slaughter of hogs, of which 60 percent was required to be converted into semiboneless loins. Under amendment 7 to WFO 75.3, effective February 18, they are now required to increase the quantity prepared as semiboneless loins from 60 to 70 percent of the total.



Under the set-aside provisions of the order, slaughterers have been required to set aside in the form of square-cut and seedless bellies 5 percent of the live weight of the hogs. Of the quantity so set aside, 5 percent was required to be processed into Army bacon requiring a 48 hours' smoke. The amendment requires that the quantity of the bellies so prepared be increased to 10 percent. These changes will not reduce the quantities of meats available for civilians.

The requirement that 8 percent of the live weight of hogs slaughtered under Federal inspection be set aside as shoulder cuts has been changed to include boneless manufacturing pork (trimmings), and the total quantity including the trimmings required to be set aside increased to 9 percent. The trimmings are expected to make up the increase of 1 percent.

## RICE ORDER AMENDED

WFA has amended War Food Order 10 to increase the set-aside of 25 percent of certain classes and varieties of milled rice in the Southern States and 35 percent of all milled rice in California to 60 percent of all milled rice of acceptable grades in both areas. The amendment became effective February 13.

Milled rice considered acceptable for the set-aside must be grade 4 or better, or grade 5 provided it does not contain more than 20 percent of broken rice. However, contracts have been made for unpolished rice, and WFA expects to purchase some rice of grades and qualities other than the acceptable grades. Deliveries of this rice may be credited to the set-aside.

New WFA requirements and the needs of other governmental agencies made the increase necessary. Much of the rice in excess of previous WFA requirements will be for the armed forces and for civilians in areas normally supplied from territories still under Japanese control.



# Grain Moves Easier to Market

. . . . By J. E. Barr

When the first settlers began growing wheat in the Hudson and other eastern valleys, the wheat was bartered for needed articles, loaded on boats, and sent down the rivers to the coast towns where it was sold to the mills and ground for local use. As the settlers moved westward to the great valleys of the Ohio and the Mississippi, wheat was being produced far from the consuming centers, and the production was so great that surpluses accumulated to be sold in foreign lands.

With expansion came problems. Grain moved long distances and passed through many hands; contracts were made for future delivery; and trades were negotiated by men thousands of miles from the fields. A common language had to be contrived. Numerous kinds of wheat were produced over large areas of various soils and climates. The quality of wheat marketed domestically and offered for export varied greatly. In the face of these conditions, buyers and sellers had to agree upon common definitions--words and phrases which when used in contracts and cable messages always meant the same.

## Early Standards

At first, individual dealers used their own written description of the quality of the grain they were offering. Later, chambers of commerce and boards of trade took a hand, adopting a system of grading, and employing inspectors to grade the grain when it arrived at the market and also when it was shipped to other markets. Under this system different standards of quality were frequently employed for receipts and shipments with the result that the grain usually graded higher when it was shipped from the market than when it had been received, even though its actual quality had not been improved.

In 1871 the State Department of Illinois established a grading and inspection system, and by 1916 eight other States had followed suit. During the same period boards of trade and individual grain inspectors in the other States and in some of these nine States continued to grade and inspect according to their own standards the grain they received and shipped.

This lack of coordinated effort in developing standards and organizing an inspection service resulted in a chaotic condition in grain marketing. Each market, or a small group of markets within a State, not

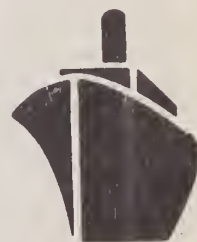


only had its own grades but it also applied its own methods of interpreting them. Grade certificates issued in one market were frequently of no value in another. The confusion of grades was only one element in an intricate tangle of trading maneuvers centering about the manipulation of grades and inspections through which each market sought to build up its own advantage. In those States where grain was the farmer's principal source of cash income, grading and inspection became a political football and several governors in the wheat area were elected as a result of their stand on wheat grades and inspection.

When the grower sent his grain to market he had little idea what grade would be assigned to it. When a buyer bargained for grain he could not be sure what quality he was actually going to receive. There was no central authority, and unscrupulous dealers were sometimes able to demoralize the entire grain trade. The system imposed a heavy burden of hazards on marketing, and every handler strove to protect himself by taking the widest possible margin of profit. The system was particularly hard on farmers. The farmer's price was lower than it should have been because of the toll which every grain dealer along the line, from the country elevator to the foreign market, had to take to protect his operations.

#### Complaints From Abroad

Peculiarly enough, the widespread agitation to overcome the confusion was brought to a head by complaints from foreign markets. Certificates from certain American markets were no longer accepted abroad, and export trade was in serious jeopardy at a time when it was greatly needed as an outlet for the surplus grain. The American grain trade itself sought means of improving conditions; attempts were made to establish uniform grades and inspection, but it was found impossible because central authority was lacking to control the selfish practices of individual dealers and markets.



Finally, after several years of discussion, the United States Grain Standards Act was passed by Congress on August 11, 1916. The act provided for the establishment of a uniform set of grades to be applied under Federal supervision, with official inspection required of all grain sold or shipped by grade in interstate or foreign commerce from or to an inspection point.

Official grain standards of the United States are now in effect for wheat, corn, barley, rye, oats, feed oats, mixed feed oats, grain sorghums, flaxseed, mixed grain, and soybeans. Soybeans were included under the act by an amendment in August 1940. The principal factors that determine the grade of grain are test weight per bushel, moisture content, damaged kernels, foreign material, the amount of other grains or other classes of the same grain, and the "condition" of the grain--that is, whether it is cool, sweet, or musty, sour, heating, or hot.

Under the act original inspections are made not by Federal employees but by inspectors employed by State or grain-exchange inspection departments or by inspectors who operate independently on a fee basis. All inspectors must be licensed by the War Food Administrator, and licenses may be revoked for cause. Inspectors may not be employed by grain merchants, and may not trade in grain.

Practically all grain received at the terminal markets and shipped therefrom is graded according to the Federal grain standards. In the year ended June 30, 1944, licensed inspectors made 1,996,464 inspections of grain. An official inspection certificate is the accepted evidence of the grain of any lot of grain. Certificates have other uses than in connection with grain purchase and sale. Because much grain is stored in warehouses, warehouse receipts based on official certificates are used as collateral for loans. Such loans are usually made at very low interest rates because banks have faith in the uniformity of the grading system, the keeping quality of grain, and the bonds under which such elevators usually operate. Official grade certificates may be issued only by licensed inspectors and by employees of the War Food Administration. The latter certify the results of appeal and dispute inspections.

Official inspection is required under the act when grain is sold or shipped by grade in interstate or foreign commerce to or from a point where official grain inspection service is maintained. Grain may be shipped in interstate commerce by grade without inspection between places where no official inspection is available, but if the correctness of any grade is questioned, either the shipper or the receiver may request a Federal grain supervisor to examine the grain and assign the official grade to the lot. This is called a "dispute action."

Grain may be offered for inspection in bulk or in sacked carlots or trucklots, in cargoes, or in the warehouse or elevator. Under these circumstances the licensed inspector takes an official sample, grades and inspects the grain, and issues a certificate. There is also a provision by which anyone may submit a sample to the licensed inspector for inspection or certification, but here the certificate issued represents only the sample, not the lot from which it was taken.

### Sampling

Bulk grain in a railroad car is sampled with an approved "grain trier" or "probe" in at least five places in the car. Bulk flaxseed in carlots is sampled in at least seven places. If the grain is sacked, a sample is taken from various sacks in the lot. After the sample has been graded, the licensed inspector issues a grade certificate covering the grain in the car. Carlot certificates cover "in" inspection (track arrivals at the market) and "out" inspections (shipments from the market). The "in" inspection certificate is valid for "out" inspection when shipment is made within 2 days without its removal from the car or



any change in its identity. Thus reconsignment within 48 hours of the inspection can be covered by the inbound inspection certificate.

Cargo lots of grain are usually sampled when or before the grain is loaded into the boat. Small barge lots may be sampled with a special long probe. Grain is also frequently sampled in an elevator to determine the grade in a given bin or of a particular lot. Samples are taken while the grain is being moved from one bin to another.

Whenever any interested party is dissatisfied with the original inspection, he may call an appeal by applying to the Federal Grain Supervisor in the district where the inspection was made. Appeals must be taken within 2 business days of the inspection date, before the grain leaves the inspection point and before it loses its identity. Appeals on cargo lots of grain and other lots from which the sample must be taken while the grain is being "run" must be filed before the original inspection; if not, the person calling the appeal must stand the expense of having the grain rerun. The local Federal Grain Supervisor takes his own sample, examines the grain, and issues a Federal appeal certificate that supersedes the grade the licensed inspector has assigned. On the average, about 50,000 appeals are handled each year (about 4 percent of the original inspections).



Grain moving in international commerce is usually on a F.A.Q. (fair, average quality) basis, depending on the country of origin and the year produced. Such grain when received, particularly in European markets, is subject to arbitration and settlement at an adjusted price determined by the Arbitration Board. Grain standards in the United States and Canada do not fluctuate from year to year, and it is customary to sell grain from both countries on the basis of "certificate final." Inspection occurs at the time of shipment, and the certificate issued then is used as the basis for final settlement. This method of selling grain for export brings the producer a higher price.

### Inspection Supervision

WFA's Office of Marketing Services maintains a field supervision organization to assure uniform and unbiased inspection throughout the United States. It is not as easy to control the licensed inspectors as it would be if they were direct Federal employees, but under the present system the uniformity, even between licensed inspectors employed by different departments, is very high. In the first place, before being issued a license an inspector (unless employed by a State grain-inspection department) must pass a strict examination on his ability to inspect grain properly. He must also have the necessary approved equipment. Each licensed inspector receives a copy of the United States Grain Standards Act, the rules and regulations of the Secretary of Agriculture, the current official grain standards of the United States, the grain inspector's manual, and printed or mimeographed instructions for operating the various types of equipment that he may be required to

use. Federal grain inspectors located in the various grain markets work with the inspectors to keep them informed of inspection methods and of the correct interpretation and application of grading factors. Federal Grain Supervisors periodically adjust and inspect the equipment that the inspectors use. The supervisory officers located at some 45 grain markets supervise licensed inspectors located at approximately 135 grain markets.

The Federal supervisors take samples of grain moving in interstate commerce in order to determine whether inspections are being made properly. By properly distributing the samples among receipts and shipments of different kinds of grain, they obtain a comprehensive cross-section of all inspections. The samples that Federal supervisors take for appeal purposes also help the supervisory office. About 200,000 such supervisory samples, including appeal samples, are reviewed each year. The Federal Grain Supervisors of the various districts keep in line by submitting samples to boards of grain supervisors for review at the general field headquarters at Chicago and the Pacific Coast headquarters at Portland, Oreg.

Records of most intermarket grain movements are obtained. The supervisor for the district or market from which the grain is shipped prepares a small form showing how the grain was graded at the shipping point. This information is sent to the supervisor at the destination market, usually reaching him before the grain arrives there. That supervisor gets an inspection report of the grain in his market. If the grades assigned at the shipping point and the receiving market differ, the destination supervisor investigates, frequently taking official samples. This information goes to the field headquarters officers and the shipping-point supervisor. The procedure enables the field headquarters officials and the supervisors to detect at once any misgrading tendencies and to correct them before they become serious problems or before serious trade losses result.

#### Benefits of System

A grading system based on uniform standards and supervised by the Federal Government affords expert, unbiased inspection service. Federal grain standards have definite, easily understood specifications. They furnish a language understood by widely separated merchandisers who cannot examine the grain or samples. Grain of dependable quality is as essential to commercial good will and confidence as dependable merchandise is to successful advertising.

The fact that the grades are definite and uniformly applied means that the buyer can be assured of receiving the standard quality represented by the grade. Further, there is little opportunity for the buyer to take advantage of the shipper, or vice versa, in cases where either party has only a limited knowledge of grain quality.



Systematic and prompt grading of grain provides quality information that makes it possible for competitive bidding to get under way without delay. This not only permits shippers to get maximum prices but also, by speeding up the movement into commercial channels, reduces the costs of handling, switching, and demurrage. Dependable standards and inspection promote sales f. o. b. and in transit.

The shipper who knows the grade of the grain he ships is in much better position to handle loss claims in case of lawsuits or arbitrations. The price of grain of a definite grade on a given day at any market is fairly easy to ascertain, and when evidence is presented to show that the shipment was of a certain grade the amount of loss is quickly computed. On the other hand, a shipper who does not have this evidence lacks a valuable aid when he seeks a fair adjustment.

### Uniform Grading Essential in Market Reporting

Uniform grading is essential to satisfactory market reports if a comparison of prices at different markets is to be made. This has become very important as farmers and buyers have relied more and more on the Nation-wide system of market reporting.

Price quotations at competitive markets, based on uniform grades, permit shippers to forward grain to that market which is in position, at a given time, to pay the best price for the grain. This facilitates grain marketing at minimum cost. Use of standards discourages the shipment of inferior grain to consuming centers, and so eliminates freight charges and other charges on products that can make only very low financial returns.

Graded products are far better than ungraded products for being held in storage under modern conditions. Only grading on definite standards makes possible the handling and storing of fungible grain in bulk in public warehouses and elevators with assurance that the grain quality at delivery will not be lower than that set forth in the warehouse receipt. Accurate official grading enables shippers and holders of warehouse receipts to obtain credit on their commercial paper up to a high percentage of their grain's full market value.

Uniform grades and inspection are essential to futures trading and hedging operations. Futures contracts for grain in U. S. contract markets specify quality in terms of the Federal standards.

Grading reduces risks; consequently both foreign and domestic buyers will pay more for grain bought months in advance for future delivery when they know the grain delivered will be of definite quality according to grade.

The honest and reliable grain dealers in the large markets benefit directly from a uniform grading system which prevents undesirable

competition resulting from the manipulation of grades by unscrupulous dealers and mixers.

Country prices reflect terminal prices and consumers' demands much more closely than formerly. The grain standards law is basic to the grain trade of today. It provides the basis for settlement on country shipments and on shipments between terminal markets; and for warehouse certificates, bank loans, and exports by grade.

Under these modern conditions farmers, country shippers, and others are protected against grade variations arising out of nonuniform standards and biased or inaccurate application of the standards. To correct occasional sampling or inspection errors, the right of appeal is provided.

The system has become the basis for price quotations at country shipping points that receive quotations by grades daily from the terminal markets. WFA and commercial interests regularly send out price quotations by grade by radio, telegraph, and mail. The grades in the Federal standards describe grain qualities at country points in the same terms as those used for settlement basis at terminals. Market quotations by grades are posted at intervals during the day at most country shipping points. They reflect the price variations brought about by the current demands of processors, elevator operators, exporters, and other grain handlers and users.

#### Protection to Consignment Shippers

The act gives grading protection in the case of grain shipped on consignment. The shipper is assured that the grading will be unbiased and that the grade on his consigned grain will be determined fairly.

Information developed as a result of grain grading at the receiving markets provides material that farmers, extension workers, and others can use in improving the quality of grain marketed at country points.

The greatest benefits to grain producers from this modern system of uniform grain standards are indirect. Efficient grain inspection underlies the whole system of long-distance trading. It is the basis for future commitments in all branches of the grain industry. It is the farmer's first insurance against the hazards and abuses that formerly existed in the channels of grain commerce and which bore down heavily on prices at country points.

In administering the act, the aim has been to set up standards that accurately designate the qualities of grain in fairness to both producers and consumers; to establish a system of supervision that insures fair, uniform, and intelligent grading; and to round out the program with research and educational work to improve the quality and therefore the price of grain.



## UTILITY BEEF SET-ASIDE INCREASED



To keep the necessary quantities of canned meat going to the armed forces, WFA has increased the set-aside of Utility grade beef. Under an amendment to WFO 75.2 effective February 11, packers operating under Federal inspection in all States except California, Oregon, and Washington now set aside for Government purchase 70 percent instead of the previous 50 percent of this grade. The reason the increase did not apply to the three Pacific Coast States was that canning facilities in that area were operating at capacity and unable to handle additional quantities of beef.

Federally inspected slaughterers are required to hold temporarily all their Choice, Good, and Commercial grades of beef, from which up to 60 percent may be selected for Government purchase. In addition they are required to set aside 80 percent of the Canner and Cutter grades.

## LARD SET-ASIDE EXEMPTIONS

Because available supplies of lard were proving insufficient to meet essential civilian needs in some areas, WFA has exempted from the lard set-aside order federally inspected slaughterers in California, Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Washington, and West Virginia.

Beginning March 4, and until further notice, packers operating under Federal inspection in these 20 States will not be required to set aside the 7½ pounds of lard from each 100 pounds of live weight of each week's slaughter of hogs as required in other States. The action came as amendment 9 to WFO 75.3.

## MARCH, APRIL CHEESE SET-ASIDES

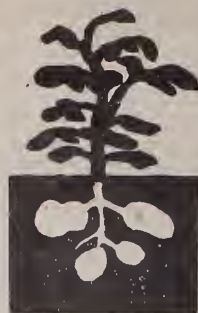
Set-aside quotas for Cheddar cheese are 45 percent of production during March and 50 percent during April. In February the requirement was 30 percent.

The increased quotas accord with the WFA policy of adjusting the set-asides on a basis of month-to-month production changes, making available each month relatively even supplies for distribution to civilians. An estimated 35 million pounds of Cheddar cheese will be available for civilian consumption per month in March and April. This approximates the supply available during the preceding 6 months, but is somewhat higher than that in March and April of 1944.

## POTATO PERMIT PROGRAM EXTENDED

WFA has extended to the northern part of Michigan's lower peninsula the operation of its Irish potato permit program designed to facilitate procurement of good-quality potatoes for the armed forces.

Effective in Michigan on March 1, 1945, the program was already operating in producing sections in Idaho, Oregon, California, Maine, Colorado, North Dakota, and Minnesota under War Food Order 120.



To obtain permits for shipment of potatoes from the designated areas, shippers must first offer to sell the quantities involved to a Government agency. If these offerings are not required for fresh use, or for the use of dehydrators having contracts with the Government, shippers are eligible to receive permits authorizing shipment through commercial channels. Offers to Government agencies must be at prices within ceilings fixed by the Office of Price Administration, and must be accompanied by inspection certificates indicating grades and packs acceptable to WFA.

## BURLEY ALLOCATIONS INCREASED



In a second amendment to WFO 4.8, WFA has increased burley tobacco allocations to both manufacturers and dealers. Manufacturers may buy 120 percent of the amount they used during the year ended last September 30, and dealers may acquire 120 percent of the amount acquired from the 1943 crop.

Burley tobacco is a major cigarette tobacco. Under the new order, manufacturers may buy, under allocation, 510,083,558 pounds of it--448,659,788 pounds at auction and 61,423,770 pounds from dealers. In addition, dealers were also allocated 18,000,000 pounds which will be available for export--or possible subsequent allocation to manufacturers.

The 1944 burley crop is the largest ever produced in the United States and is substantially larger than was indicated by earlier estimates on which previous allocations were made.

WFA has amended WFO 29, continuing through next June 30 the suspension of restrictions on delivery of crude peanut, cottonseed, corn, and soybean oils to refiners for refining purposes. The suspension began on October 1, 1943.



# Too Much Becomes Enough



. . . . By Grace E. M. Waite

Sometimes a freak of nature creates a food-marketing emergency. This happened last September when a hurricane blew off 3 to 4 million bushels of apples in the Northeastern States. The War Food Administration lent a practiced hand to speed the distribution of the wind-picked fruit to consumers through normal merchandising channels. Some of the apples went to schools and hospitals. That was one example of how WFA's "Marketing Plentiful Foods" program works.

Although at present civilian supplies of some commodities such as butter, meat, and sugar are short of demand, the farmer and his unpredictable partner sometimes join forces to give us abundances of certain commodities that almost overwhelm us. But this horn of plenty can be turned to good account if the plentiful foods are well distributed and the facts of the situation get around until the public can understand and act.

## Focusing Public Buying Power

The idea of the program is to make the fullest and most effective use of plentiful foods by focusing public buying power on them. This betters our war food situation in four ways. It disposes of temporary market gluts that result from heavy seasonal produce movement, or from related causes. It helps U. S. consumers to maintain full, nourishing diets in spite of scarcities of some foods. It reduces demand for scarcer foods by guiding attention to other foods in the same general food group. And it conserves commercial processing and storage facilities by moving more of the fresh crops into direct consumption, home storage, and home preservation.

Scope of the program is both national and local, involving full use of aggregate food supplies and supplies plentiful in a particular community. Victory Food Selections and special campaigns promote the flow of seasonal or emergency food abundances into consumer channels. A Victory Food Selection is a commodity designated by the War Food Administrator whenever it is expected to be so abundant at a particular time that the supplies would not move through normal trade channels except as the result of special merchandising drives. Victory Food Selections are vigorously pushed by nutrition committees, home economists, the food industry, food editors, and radio food commentators on a country-wide scale.



Thus, Irish potatoes were designated a Victory Food Selection in October 1943, when fall production swamped the market. An extensive information campaign followed, and whereas most of the crop went into regular storage as usual, a considerable part of the supplies immediately available moved into consumers' potato bins.

In 1944, selection of two products was announced--cabbage in February and onions in late September and early October. Also in 1944, a number of fact sheets for other special campaigns on plentiful foods were issued to inform the public of the need for using more of certain commodities that were crowding the market at the time. The sheets described the product, its nutritional value, and methods of storage and preparation. The commodities included carrots, shell eggs, beets, onions, chicken, fresh and frozen fish, sweetpotatoes, and tomatoes.

To spread the word, many media of communication are put to use. Radio, press, trade groups, and consumer organizations cooperate. Press and radio people work up their stories and scripts from the fact sheets. The food trade pushes the program with newspaper advertising, posters, window and floor displays, and advertising inserts.

The program relieves the pressure on warehousing facilities. It conserves the farmer's labor and his equipment. In some cases it has made possible a more reasonable price to consumers.

Each month WFA issues a list of nationally plentiful foods. Week by week, through the various informational outlets, consumers are guided toward the foods that are in better supply. Some of these foods may be strange foods to some consumers. To substitute the abundant ones sometimes means having to learn new ways of preparation, to develop new tastes and food habits. But such adaptation is really nothing new in this country. For what with potatoes, squash, pumpkin, strawberries, corn, and a good many other good things, we've been learning to eat and like unaccustomed foods ever since the first of us set foot in America.

#### ICE CREAM ORDER AMENDED

Effective March 1, WFA eliminated restrictions on the use of milk solids, not fat, in the manufacture of ice cream and other frozen dairy foods.

Restrictions on use of butterfat in ice cream continue, and manufacturers of frozen dairy foods may use each month not more than 65 percent of the butterfat they used in the corresponding month of the base period (December 1941-November 1942). Since February 1943, when WFO 8 was issued to conserve butterfat and other milk solids, the 65 percent quota had applied to total use of all milk solids, both fat and nonfat (except for 3 months during the 1944 flush milk-production season).



## ABOUT MARKETING:

The following reports and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach, and mail to the Office of Marketing Services, War Food Administration, Washington 25, D. C.

### *Reports:*

- Marketing Imperial Valley of California Carrots - Season 1944 . . .  
February 1945. 8pp. (processed)
- Marketing Arkansas Peaches. February 20, 1945. 5pp. (processed)
- Marketing the Michigan Pear Crop. February 8, 1945. 5pp. . . . .  
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- Marketing Imperial Valley Lettuce -- Summary of 1944 Season . . . .  
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- Pears - 1944--Weighted Average Prices Received at Eastern Auction  
Markets by Varieties, by Weeks, by Markets. January 1945. 15pp.  
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- Fact Sheet on Fat Salvage Program. February 1945. 10pp. . . . .  
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